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Witness says Rewald paid her for sex

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C.I.A.

Honolulu, Hawaii — A witness testified Tuesday that she regularly had sex with former Milwaukee businessman Ronald Rewald in return for payments that totaled about $19,000.

Romaine Gonsalves, 22, said she was 18 when Rewald first hired her to have sex, and that she continued to have sexual relations with him for several months, including the period of her pregnancy.

Rewald, accused of defrauding investors of $22 million and spending the money on himself and his family and friends, sat impassively through Gonsalves' testimony.

Outside the courtroom, Gonsalves declined to say if the child was fathered by Rewald. She had testified that she had named Rewald as the child's godfather.

Rewald's attorney, federal Public Defender Michael Levine, said Rewald said he had had a vasectomy that rendered him sterile, and was not the father of the child.

Gonsalves, formerly a secretary for a lawyer who consulted with Rewald's firm, is the first of several witnesses subpoenaed to testify about sex for pay with Rewald.

She said she received payments totaling $19,000, usually at $1,000 per month, for having sex with Rewald in a condominium across the street from his office about twice a month. On some occasions, she said, they had sex in one of his Rolls-Royce limousines.

Another witness, Beatrice Borkenhagen, widow of a Milwaukee plumbing contractor, was brought before the jury in her wheelchair.

Borkenhagen, who went to high school with Rewald's parents, said she invested $48,000 with Rewald's sporting goods firm in Hawaii, and later bought $10,000 worth of stock in his C.M.I. Investment Co. and finally invested another $215,749 in C.M.I.'s successor, Bishop Baldwin Rewald Billingham & Wong.

She said she received regular monthly dividend payments, but still lost more than $145,000 when Bishop Baldwin collapsed in July 1983.

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